

SOUTHLINE TRANSMISSION LINE PROJECT

APRIL 2012

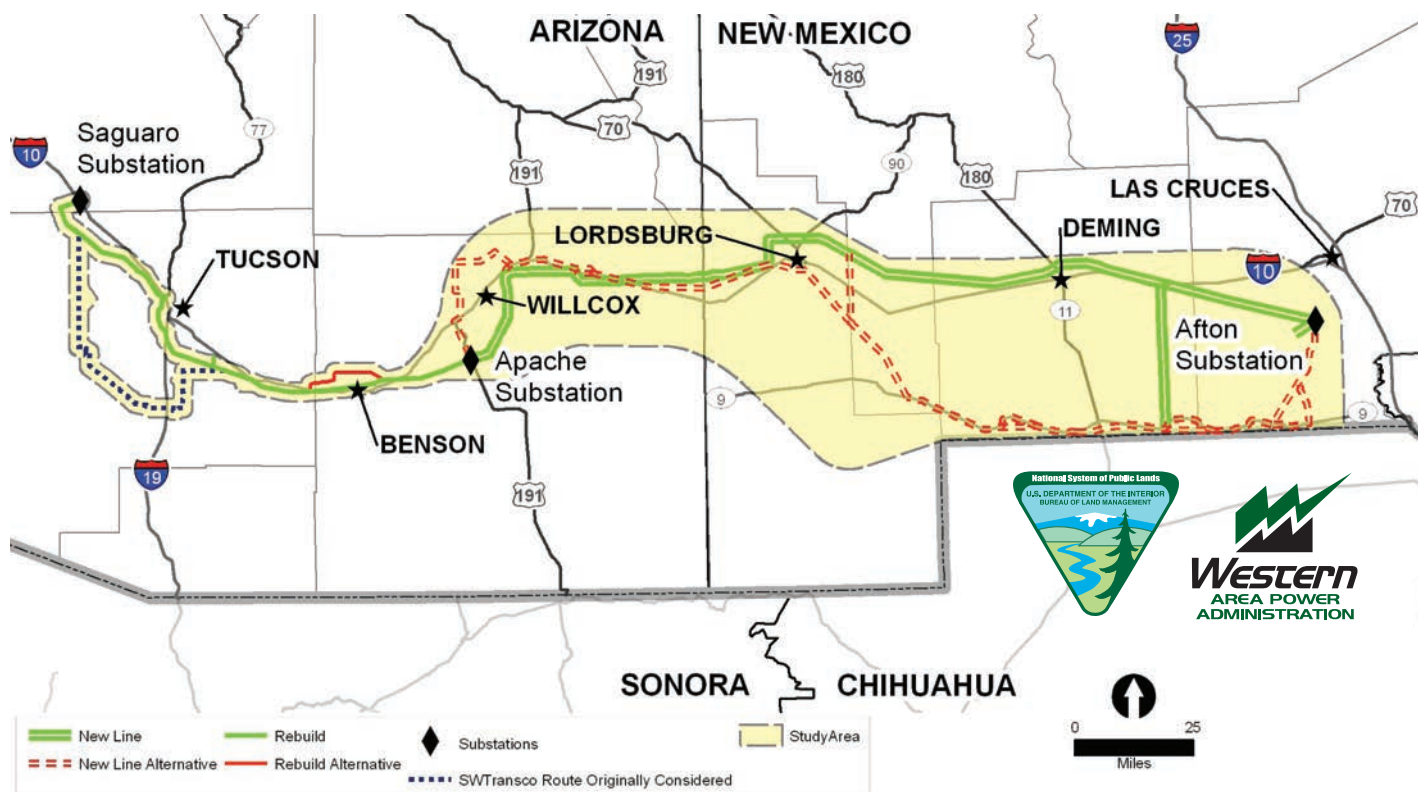
INTRODUCTION

The Bureau of Land Management (BLM) and Western Area Power Administration (Western) are serving as joint lead agencies in deciding whether Federal lands and facilities can be used for the proposed Southline Transmission Line Project (Southline Project, or Project). Southline Transmission, LLC, (Southline) submitted an application for right-of-way (ROW) across BLM lands in Arizona and New Mexico, along with an interconnection request to Western. The BLM has determined that this is a major Federal action that requires the preparation of an environmental impact statement (EIS). Western is a power-marketing agency within the Department of Energy and would be participating in the Project, since Southline is proposing to rebuild and upgrade (or increase the transfer capacity of the line) approximately 120 miles of existing Western transmission line.

WHAT IS THE PROPOSED SOUTHLINE TRANSMISSION LINE PROJECT?

Southline Transmission, LLC, proposes to construct, operate, and maintain the Southline Project across southern New Mexico and Arizona. The proposed Project would consist of the following components and would include a total of approximately 360 miles of new or rebuilt transmission lines:

1. A new 205-mile, 345-kilovolt (kV) double-circuit transmission line between the existing Afton Substation in southeastern New Mexico and the Apache Substation in southeastern Arizona.
2. A new 30-mile segment between New Mexico Highway 9 and Interstate 10 east of Deming and Columbus in New Mexico.
3. A new 5-mile in and out loop between the existing Afton Substation and the existing Luna-Diablo 345-kV transmission line in New Mexico.
4. A rebuild and upgrade of approximately 120 miles of existing Western transmission line between the existing Apache and Saguaro Substations in Arizona. The 120-mile total includes a new, approximately 2-mile segment between the Western rebuild and the Vail Substation.
5. Interconnection and potential upgrades of more than 10 existing substations along the project route.
6. Depending on route selection, possible development of a new substation in New Mexico (Luna, Grant, or Hidalgo Counties).
7. Additional facilities such as telecommunications, access roads, switchyards, and staging and material storage areas during construction.



WHO IS THE PROJECT APPLICANT?

The Southline Transmission Line Project is sponsored by Southline Transmission, LLC, a subsidiary of Hunt Power, L.P. Hunt Power, L.P., develops and invests in entrepreneurial electric and gas utility opportunities and is part of a larger privately owned group of entities managed by the Ray L. Hunt family that engages in oil and gas exploration and production, refining, power, real estate, ranching, and private equity investments. Black Forest Partners, L.P., is the Southline Transmission, LLC, project manager for the Project.

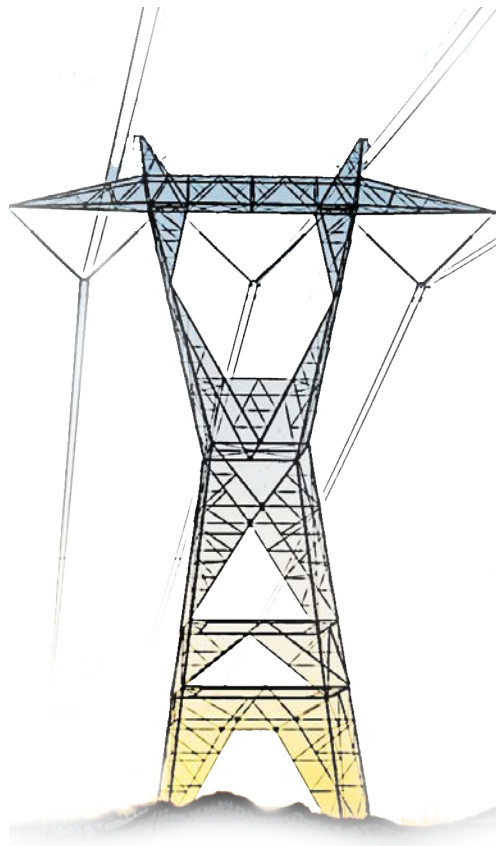
WHAT WOULD THE TRANSMISSION LINE LOOK LIKE?

The new line segment of the Project would include structures measuring 90 to 170 feet tall; the distance between structures may range from 800 to 1,400 feet, depending on the structure type selected. The ROW for the new build segment would generally measure approximately 200 feet wide. The type of transmission line structure that would be used would depend on the engineering design and on land use constraints. At this time, typical structure types under consideration include lattice towers and tubular steel poles.

The rebuild and upgrade segment of the Project would include tubular steel poles measuring 90 to 130 feet tall; the distance between structures would range

from 700 to 1,100 feet, depending on terrain and other factors. The existing ROW for the rebuild and upgrade segment is 150 feet wide.

Southline developed several potential route options for the proposed action. These route options (or alternatives) address local routing issues. An additional alternative rebuild route southwest of Tucson was originally considered by Southline. This alternative is no longer part of the proposed action or applicant alternatives but is depicted on the map (see "SWTransco Route Originally Considered" on map).



HOW DOES THIS PROJECT RELATE TO REGIONAL TRANSMISSION PLANNING?

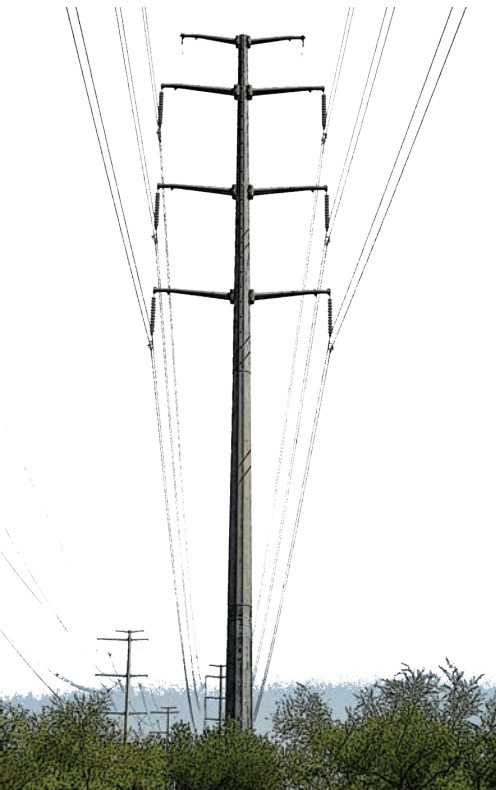
The Project team has been involved in such regional planning efforts as the Western Electricity Coordinating Council (WECC) process. This process evaluates transmission system capacity and needs across the West. WECC is responsible for coordinating and promoting system reliability, and the WECC process is an avenue for stakeholders to be involved in decision making regarding where and when to build new transmission across 14 western states and portions of Mexico and Canada.

The Project is one of two major east-west transmission lines planned in southern New Mexico and Arizona; the other project is the proposed SunZia Transmission Line Project (SunZia Project). The BLM New Mexico State Office is the lead agency for both the Southline Project and the SunZia Project. It is important to note that the Southline Project is not an alternative to the SunZia Project. Both of these regional transmission projects are being considered to fulfill distinct transmission needs.

The Southline Project is distinctive in that it would:

- Interconnect with the existing transmission system in at least 10 different existing substations, enabling local utilities to access the most cost-efficient power sources in a reliable manner;
- Be shorter than some other proposed projects and therefore less costly;
- Employ a flexible, scalable design that can be expanded based on system needs;
- Provide for bidirectional use of power, enabling renewable and other local energy to reach customers and allowing utilities to more efficiently meet energy demands;
- Through an innovative public-private partnership, incorporate improvements to existing transmission lines in need of upgrades and be sited, to the greatest extent possible, on already disturbed lands in order to minimize impacts to local cultural, community, and environmental resources; and
- Have a customer base made up of local electric utilities and suppliers.

Because of the number of proposed substation interconnections along the project, power transmitted along the Southline Project could be used anywhere along the system. The bidirectional transmission line could allow electricity to be sent to west Texas. Existing and planned transmission lines connecting to the west end of the Southline Project could allow for transmission of electricity to Phoenix and beyond to California.



WHAT IS THE NEED FOR THIS TRANSMISSION LINE?

Southline has worked closely with local utilities, other transmission providers, and other stakeholders in an open participatory process since 2009 to gather feedback and ensure that the Project meets regional transmission needs and improves the regional transmission system. The Southline Project would meet multiple electric system needs in Arizona, New Mexico, west Texas, and California.

lives, raising reliability risks.

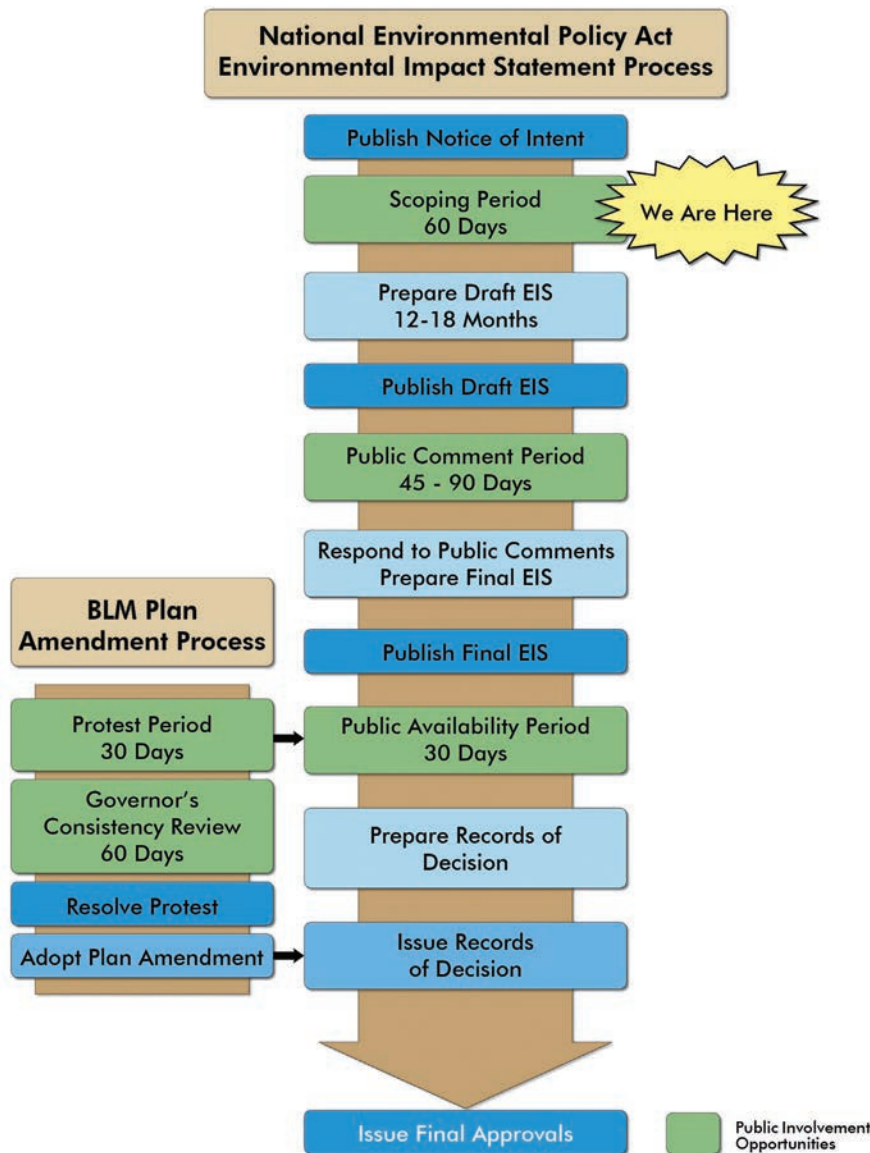
- **Relieve congestion:** Additional transmission capacity in the region is needed to help local utilities increase access to the most cost-efficient energy sources.
- **Enhance energy generation:** New energy generation from renewable and conventional sources requires access to and economic transmission of electricity. A major challenge facing renewable and conventional energy

on the environment. The purpose of an EIS is to identify potential issues related to the project, analyze the project impacts, disclose them to the public, and use the information developed to make informed decisions. The EIS is a public document, and the public is encouraged to provide input throughout the development of the EIS. Potential amendments to existing agency land use plans will be analyzed as well. The EIS is not a decision document, but it is intended to provide information to the BLM and Western decision makers in order to make informed decisions.

See "A Citizen's Guide to the NEPA, Having your Voice Heard" for more information on NEPA and the EIS process.

WHAT IS THE PROCESS FOR PREPARING AN EIS?

There are a number of steps involved in preparing an EIS (see graphic). The EIS process begins with publication of a notice of intent (NOI) in the Federal Register, which initiates the scoping period (a 60 day comment period). The BLM and Western will use information derived from public scoping comments to identify potential resource concerns, potential project modifications and alternatives, and mitigation measures that could be used to minimize impacts. The process will be documented and the impacts disclosed in a Draft EIS. After public review of the Draft EIS, comments on the Draft EIS will be considered and incorporated into the Final EIS. The BLM and Western will issue records of decision at the close of the NEPA process.



The Southline Project is expected to help meet the following needs:

- **Sustain growth:** The desert Southwest is expected to experience substantial long-term growth, creating an increased demand for energy.
- **Ensure reliability:** There are limited existing electrical connections in the area and many older lines that are approaching the end of their useful

generation is sufficient transmission access. Though not guaranteed, one goal for Southline is to enable renewable energy development to satisfy renewable energy requirements of western states.

WHAT IS AN EIS? WHAT IS THE PURPOSE OF AN EIS?

An EIS is prepared for major Federal actions that may have a significant effect

WHAT IS SCOPING?

The NOI was published in the Federal Register on April 4, 2012, notifying the public of the intent to prepare an EIS. The EIS is in the first stage, called public scoping, in which potential environmental issues, project modifications, alternative corridors, and mitigation to be evaluated in the Draft EIS are identified. During the scoping period, the public is encouraged to provide comments and information on factors that should be considered in the EIS. Public meetings will be held during the 60-day scoping period which will close on June 4, 2012, to provide information and solicit public comments. The times and locations for public meetings will be posted on the project website and through media outlets.

HOW CAN I PARTICIPATE IN THE EIS AND SCOPING PROCESS?

The BLM and Western encourage you to attend a scoping meeting to learn more about the Project and submit your comments, questions, and concerns. In addition to the scoping meetings, you can stay informed by using the following information tools:

1. Visit the BLM's project website: www.blm.gov/nm/southline
2. Sign up for the project mailing list and receive newsletters and project updates
3. E-mail blm_nm_southline@blm.gov
4. For more information regarding the public scoping meetings or the proposed project, contact Tom Hurshman: 970-240-5345

The BLM and Western will also keep you informed through regional and local newspapers, radio and television, and open house meetings later in the process. All comments must be received by **June 4, 2012**.

WHAT ARE EFFECTIVE COMMENTS?

Your participation is an important part of the decisionmaking process. We need your feedback! To make the best use of your input, here are some points to consider when making a comment about the project:

1. Keep your comments focused on the proposed Project and what is being analyzed.
2. Think about your concerns and tell us why you are concerned.
3. Make sure you submit your comments within the timeframes announced. This ensures that the agencies will have all concerns documented for use in the EIS. Comments must be postmarked by **June 4, 2012**.
4. Make sure you are on the mailing list to receive project updates and notifications.

The most effective comments are those that provide useful information to the agencies. Comments made during scoping or on the EIS are not counted as votes or as part of a referendum on BLM's or Western's decisions. They are used to improve the document and analyses to adequately determine environmental impacts before the agencies make final decisions on the proposed Project. Therefore, avoid comments that state, "I am in favor of this project," or "I am opposed to this project." Remember that the more clear, concise, and relevant to the project your comments are, the more effective and useful they will be in improving the EIS and affecting the agencies' decisions.

SOUTHLINE TRANSMISSION LINE PROJECT

**We Need
Your
Input!**

NEW MEXICO MEETING LOCATIONS

Las Cruces
Tuesday, May 8, 2012
5:30pm - 8:00pm

Days Inn & Suites
Mesilla Valley Hotel
901 Avenida de Mesilla
Las Cruces, NM 88005

Deming
Wednesday, May 9, 2012
5:30pm - 8:00pm

Mimbres Valley
Special Events Center
2300 East Pine Street
Deming, NM 88030

Lordsburg
Thursday, May 10, 2012
5:30pm - 8:00pm

Dugan-Tarango
Middle School
1352 Hardin
Lordsburg, NM 88045

ARIZONA MEETING LOCATIONS

Willcox
Tuesday, May 15, 2012
5:30pm - 8:00pm

Quality Inn Willcox
1100 West Rex Allen Drive
Willcox, AZ 85643

Benson
Wednesday, May 16, 2012
5:30pm - 8:00pm

Benson High School
360 South Patagonia Street
Benson, AZ 85602

Tucson
Thursday, May 17, 2012
5:30pm - 8:00pm

Palo Verde High Magnet School
1302 South Avenida Vega
Tucson, AZ 85710

All Presentations Begin at 6:00pm